Veterans Affairs Canada | Anciens Combattants Canada

2010-11

Departmental Performance Report

The Honourable Steven Blaney, P.C., M.P.
Minister of Veterans Affairs

Canada

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Minister's Message

Veterans hold a special place in the hearts and minds of Canadians—they unite us in a unique and powerful way. With roots dating back to the First World War, the Department of Veterans Affairs is responsible for ensuring the care and recognition earned by these national heroes. In this role, we recognize that the needs of Canada's Veterans are changing. This is happening now and it is happening quickly.

There is a new generation of Canadian Forces Veterans and their needs are often quite different from those of our traditional Veterans. In response, the Department is adapting itself to keep programs and services relevant to all Veterans.

Over the past year, the Department has worked hard to provide Veterans with faster and easier access to the benefits and services they deserve. We are making decisions faster. We are working to offer more online options for Veterans to interact with the Department. We have eliminated unecessary paperwork. We are cutting red tape and working to offer Veterans hassle-free service. And we are just getting started.

At the same time, our efforts are contributing to the overall Government of Canada deficit reduction exercise to ensure every tax dollar is spent wisely, prudently and fairly.

As I committed in our *2011-12 Report on Plans and Priorities*, we are focused on five key elements for the future:

- Reducing the complexity of our programs;
- Improving the way we deliver programs, making them more flexible;
- Strengthening our partnership with the Department of National Defence to ensure our military men and women experience a smooth transition to civilian life;
- Sustaining the New Veterans Charter as a fundamentally sound and modern approach to disability management; and,
- Continuing to adapt to the changing demographics of the Canadians we serve by ensuring our resources are deployed where they are needed.

As you will see in this report, we have come a long way in a short time—but there is much work still to be done. We have a commitment to Veterans, and to Canadians, to deliver on our core mandate: the care and recognition of Veterans, Canadian Forces and RCMP members, and their families. We accept this tremendous responsibility, and although we cannot thank our Veterans enough for what they have done for Canada , we will strive to be worthy of their esteem.

And so it is with great pride that I present the *2010-11 Departmental Performance Report* for Veterans Affairs.

The Honourable Steven Blaney, P.C., M.P.
Minister of Veterans Affairs

Chair's Message

It is my pleasure to share with you the results achieved for Canadians against the plans and priorities of the Veterans Review and Appeal Board for 2010-11.

The Board supports Veterans, members of the Canadian Forces and the Royal Canadian Mounted Police, and their families, in obtaining the benefits to which they are entitled for service-related disabilities. We accomplish this by providing them with an independent appeal process for disability decisions made by Veterans Affairs Canada. The Board's specialized program includes two levels of redress (review and appeal) for disability pension and disability award decisions as well as the final level of appeal for War Veterans Allowance cases.

Our objective is to ensure that individuals have every opportunity to be heard and to present new information and arguments in support of their applications. To this end, our Board Members conduct hearings and make decisions based on a careful consideration of the evidence and according to the legislation.

In 2010-11, the Board issued 3,539 review decisions at the request of individuals–a relatively small percentage of the 40,000 decisions issued by the Department each year with appeal rights to the Board. The reality is that many Veterans are satisfied at the departmental level and never bring their decisions forward to the Board. Those who do come forward at review have the benefit of providing oral testimony for the first time and the right to appeal the Board's decision if they remain dissatisfied. In 2010-11, the Board rendered 974 appeal decisions for applicants. In every case, our efforts were focused on issuing clear reasons in a timely fashion as demonstrated by our strong performance against our published service standard.

Our Members are dedicated Canadians who bring a diversity of professional experiences to their work. They are supported by a motivated team of public servants in operational and quality management roles. In 2010-11, we continued to provide our Members and staff with targeted training and tools to support them in addressing the complex and evolving nature of applications.

We also increased our communications activities and focused on accountable management to ensure an effective and efficient appeal process for applicants. We will continue to look for opportunities to improve our program and to engage our employees and our stakeholders in discussions that affect them.

The Board is guided by a strong sense of the responsibility inherent in our mandate to those who have served–and continue to serve–their country. We are honoured to serve them.

John D. Larlee
Chair, Veterans Review and Appeal Board

Section I - Departmental Overview

This section provides high-level information on the Veterans Affairs Portfolio.

Raison d'être

Canada's development as an independent country with a unique identity stems partly from its achievements in times of war. Veterans Affairs Canada (VAC) exists to repay Canada's debt of gratitude to those whose courageous efforts gave us this legacy and contributed to our growth as a nation.

The origins of VAC's mandate lies in the *Department of Veterans Affairs Act* which charges the Minister of Veterans Affairs with "the care, treatment, or re-establishment in civil life of any person who served in the Canadian Forces or merchant navy or in the naval, army, air forces or merchant navies of Her Majesty, of any person who has otherwise engaged in pursuits relating to war, and of any other person designated ... and the care of the dependants or survivors of any person referred to" and through an Order-in-Council which gives VAC responsibility for keeping alive the achievements and sacrifices of those who served Canada in times of war and peace.

Responsibilities

The Minister of Veterans Affairs is responsible for, or has responsibility under more than 20 Acts of Parliament. The Veterans Affairs Portfolio consists of Veterans Affairs Canada, the Veterans Review and Appeal Board (VRAB) and the Office of the Veterans Ombudsman (OVO). Beginning in 2011–12, VRAB will report on its own as a separate agency.

Veterans Affairs Canada

Veterans Affairs Canada achieves its mandate by providing services and benefits that respond to the needs of Veterans, other individuals and their families. Additionally, we recognize their service to Canada through programs that keep the memory of their achievements and sacrifices alive for all Canadians.

VAC has three main roles:

Provider of disability compensation and financial support – VAC administers programs which recognize and compensate for the pain and suffering of service-related disabilities. The Department also provides financial support and assistance when career-ending or service-related disabilities affect one's ability to earn income.

Funder for health care and re-establishment services – VAC works with federal, provincial and territorial governments to provide access to health programs that enhance the well-being of Veterans and other eligible individuals, promote independence and ensure continued care. The Department also provides support to Canadian Forces Veterans and their families to ease their transition to civilian life.

Catalyst for national and international remembrance – The Department keeps alive the achievements and sacrifices of those who served Canada in times of war, military conflict and peace, and promotes the importance of these efforts on Canadian life as we know it today. VAC fosters remembrance of the contributions made by Canada's war dead and Veterans through its Canada Remembers Program. It also maintains and preserves 14 memorial sites in Europe.

Veterans Review and Appeal Board

The Veterans Review and Appeal Board (VRAB) is an independent, quasi-judicial tribunal that operates at arm's length from Veterans Affairs Canada. The Board has full and exclusive jurisdiction to hear, determine and deal with all applications for review and appeal made to the Board under the *Veterans Review and Appeal Board Act*.

Veterans Ombudsman

The Office of the Veterans Ombudsman helps Veterans and their families address concerns related to VAC and the Veterans Bill of Rights. An impartial and independent officer, the Veterans Ombudsman reports directly to the Minister of Veterans Affairs and ensures the fair treatment of Veterans, their representatives and their families.

Program Activity Architecture

Veterans Affairs Canada works to achieve four Strategic Outcomes (SOs). From these flow program activities and sub activities as presented in the chart below.

Strategic Outcomes

Eligible Veterans and other individuals achieve their optimum level of well-being through programs and services that support their care, treatment, independence and re-establishment	Canadians remember and demonstrate their recognition of all those who served in Canada's efforts during war, military conflict and peace	Fair and effective resolution of disability pension, disability award, and War Veterans Allowance appeals from Canada's war Veterans, Canadian Forces members and Veterans, Royal Canadian Mounted Police members and Veterans, qualified civilians and their families	Ombudsman recommendations advance Veterans Affairs' fair and equitable treatment of eligible Veterans and other individuals

Program Activities

Compensation and Financial Support	Veterans Health Care and Re-establishment	Remembrance Outreach	National and International Memorials	Veterans Review and Appeal Board redress process for disability pensions and awards	Office of the Veterans Ombudsman independent review and recommendations on individual complaints and systemic issues	Internal Services
Sub Activities		*Sub Activities*				*Sub Activities*
Disability and Death Compensation	Long Term and Nursing Home Care	Information Products and Learning Initiatives	Funeral and Burial Program			Governance and Management Support
Financial Support	Health Care Benefits and Other Health and Re-establishment Services	Ceremonies and Events	Memorials and Cemetery/Grave Maintenance			Resource Management Services
Bureau of Pensions Advocates	Home Care and Other Veterans Independence Program Services	Partnerships	European Operations			Asset Management Services

Program Activity Architecture Crosswalk

Veterans Affairs' Program Activity Architecture (PAA) was modified for the 2010–11 fiscal year to expand from one to two program activities for the strategic outcome *Canadians remember and demonstrate their recognition of all those who have served in Canada`s efforts during war, military conflict and peace*. The PAA depicted above was developed in 2009–10 and formally included in the departmental planning and reporting for 2010–11.

The Crosswalk below shows changes made to the program activities between 2009–10 and 2010–11. The Canada Remembers Program was divided into two Program Activities in the 2010-11 PAA.

PAA Crosswalk ($millions)		Former PAA (2009-10)						
		Compensation and Financial Support	Veterans Health Care and Re-establishment	Canada Remembers	VRAB Redress Process	Ombudsman Review and Recommendations	Internal Services	Total
New PAA (2010-11)	Compensation and Financial Support	2,269.8						2,269.8
	Veterans Health Care and Re-establishment		1,106.2					1,106.2
	Remembrance Outreach			15.5				15.5
	National and International Memorials			25.1				25.1
	VRAB Redress Process				12.1			12.1
	Ombudsman Review and Recommendations					4.9		4.9
	Internal Services						81.8	81.8
	Total	**2,269.8**	**1,106.2**	**40.6**	**12.1**	**4.9**	**81.8**	**3,515.4**

Organizational Priorities

This section outlines the priorities that Veterans Affairs Canada (VAC) worked on in support of its strategic outcomes during 2010-11.

Performance Status Legend	
Exceeded	More than 100 percent of the expected level of performance was achieved
Met All	100 percent of the expected level of performance was achieved
Mostly Met	80 to 99 percent of the expected level of performance was achieved
Somewhat Met	60 to 79 percent of the expected level of performance was achieved
Not Met	Less than 60 percent of the expected level of performance was achieved

Operational Priorities (VAC)

Transform service delivery and support functions **New in 2010-11**

To ensure that service delivery and support functions are adapted to meet the changing and broad needs of Veterans and other individuals served by VAC, and to ensure that the right decision is delivered as early as possible.

Performance Status: Mostly met

Contributing to:
SO 1
PA(s)
- Compensation and Financial Support;
- Veterans Health Care and Re-establishment.

Results Achieved

In 2010-11 VAC began a review of its existing service delivery model to determine the appropriate structure and resources required to effectively deliver programs and services. As a result of the major transformation initiative that began in the summer of 2010, the Department has since expanded on the original scope to include a more significant review aimed at reducing complexity, overhauling service delivery and aligning the Department with Veteran demographics.

The Department worked closely with the Canadian Forces (CF) and the Department of National Defence (DND) on several key priorities, which included working to better aligning policies, programs, services and points of service with DND; increasing the number of integrated personnel support centres across Canada to 24; supporting the establishment of a Canadian Institute for Military and Veteran's Health Research; conducting outreach sessions at CF bases across Canada; and working to improve information sharing between VAC and DND to enable quicker access to service information.

New legislation was introduced to enhance the New Veterans Charter to improve access to monthly benefits for seriously injured Veterans, increase the monthly financial support available through the Earnings Loss Benefit and provide flexible payment options for the Disability Award.

Service delivery improvements were made to provide Veterans who receive support under the Veterans Independence Program with access to direct deposit and a new telephone system was implemented enabling the Department in March 2011 to answer 89% of calls made to VAC's 1-800 lines within two minutes. In addition, the Department was able to reduce the time required to provide decisions on disability applications from 24 weeks to 16 weeks and for rehabilitation applications from 4 weeks to 2 weeks.
To ensure that case management expertise is available where it's needed, 20 new case managers were added under the Legacy of Care initiative. Regional plans

	were also created to identify where resources should be allocated to best meet the needs of Veterans and other individuals. In 2010–11, VAC completed several evaluations and audits, and those results are guiding the Department in improving its program delivery and services. They include evaluations on the New Veterans Charter Phase 2 and Phase 3) and the Veterans Independence Program as well as internal responsibility centre audits (Phase 1 and Phase 2). VAC also continues to refine and improve its mental health strategy through research and web based technology to improve its service. All outpatient operational stress injury (OSI) clinics expanded their services to include families as part of the assessment process. These clinics provided education and treatment to family members as needed, with families representing 9.5% of the total active cases at the clinics in March 2011. The Department worked with strategic partners such as the Mental Health Commission of Canada to revise VAC's Mental Health Strategy and to share in research and peer support initiatives; with DND to continue the Operational Stress Injury Social Support (OSISS) program; the Brain Injury Association of Canada to increase awareness of Canadian expertise in military trauma and brain injury; Queen's University in the new Canadian Institute of Military and Veterans Health Research; and with the Canadian Institute of Health Research to develop common research priorities in partnership with the CF, DND and the academic community. VAC developed and implemented a Change Management Framework and Internal Communications Strategy to keep employees, Veterans, stakeholders and partners informed of the Department's progress in changing its programs and services to better meet the needs of Veterans and other individuals.

Refocus remembrance activities	**New in 2010-11**
War-service Veterans are a direct link to our history. It is important that the Department continues to honour them and preserve their legacy while equally recognizing and honouring modern-day Veterans.	
Performance Status: Met all	
Contributing to: SO 2 PA(s) ▪ Remembrance Outreach; ▪ National and International Memorials.	**Results Achieved** In 2010-11 the Department conducted focus group meetings with modern-day and traditional Veterans, CF members, stakeholders and other Canadians to assess, among other things, their opinions and views on how the important contributions of CF Veterans are being recognized. To address the recognition needs of modern-day Veterans, VAC produced several new learning resources, increased its network of key stakeholders and established eight partnership agreements that focus exclusively on the recognition of modern-day Veterans. The Department led or supported approximately 815 remembrance ceremonies and events in Canada. VAC also kept its international commitments through on-site remembrance ceremonies and by hosting dignitaries while they paid their respects at overseas memorial battlefield sites.

	VAC further expanded its online remembrance community by using more social media tools. Remembrance information was posted to social media sites like Facebook, YouTube and Twitter, while new tools such as the Remembrance iPhone mobile application, DVDs, event maps and online advertising brought remembrance to Canadians in their communities. Television and online advertising partnerships were developed with media companies that cater to youth, such as Much Music, Vrak TV and Teletoon. These allowed the Department to expand its reach and bring remembrance to a new generation of Canadians.

Management Priorities (VAC)

Workforce renewal	**New in 2010-11**
To ensure the Department operates efficiently and has the processes and workforce in place to provide the best possible service to Veterans and their families. **Performance Status:** Met all	
Contributing to: Links to all **SOs** PA(s) ▪ Internal Services	**Results Achieved** In 2010–11, the Department completed a Human Resource and Business Planning process to identify human resource needs, align the current workforce with strategic priorities, and provide VAC with a three-year human resources strategy. VAC employees were encouraged to participate in transformational changes. Internal communications were conducted through different channels and the Transformation Agenda became a permanent item on the agenda of all National Union Management Consultation Committees (NUMCC). The Department continued to build on its representation of Canadian diversity through human resource management strategies. These include employment equity mentoring and internal development programs, an employment equity supervisory experience program, the national employment equity advisory committee and post-secondary recruitment. In May 2010, the Department looked inward to assess its skills gaps and learning needs. From this, a national learning strategy project was started to revalidate the needs/priorities of the Department. All staff were also required to develop their own learning plans. The Department also began work on several initiatives aimed at improving its knowledge of the military culture. An educational tool created by the Department of National Defence (DND) was made available to VAC staff to promote military awareness and help staff members understand the military experience. Reviews were also initiated to determine how the staffing process could be amended to include the Canadian Forces (CF) and to identify positions where CF experience would be an asset qualification.

Strengthening management, transparency and accountability	**New in 2010-11**
To ensure that the Department operates efficiently and has the functions and processes in place to provide the best possible service to Veterans and their families.	
Performance Status: Mostly met	
Contributing to: Links to all **SOs** PA(s) ▪ Internal Services	**Results Achieved** In 2010-11, new policy development tools were drafted, more than 80 policies were revised or developed, and a guide to support decision-making was completed. VAC's revised Discipline Policy and Disciplinary Guidelines more clearly communicate the consequences of misconduct to all employees and a new Privacy Action Plan was implemented to increase awareness throughout the Department on the importance of protecting personal information. The Department also continued to implement the Evaluation Policy requiring that all direct program spending—excluding grants and contributions—be evaluated every five years. VAC tabled its first annual report on the state of performance measurement of programs in support of evaluation within the Department. The report outlines VAC's progress and identifies actions necessary to continue this progress. In addition, the Department's performance management program was modified, resulting in three times as many performance appraisals being completed since the 2009–10 cycle. Technology improvements were made to redesign and improve how information was structured on the VAC Web site, and a new interactive, multimedia centre was created. The results of the Round VIII assessment of the Management Accountability Framework showed that VAC maintained a stable performance in 2010–11. Eleven areas of management were assessed within the Department and the following ratings were received: two "strong," seven "acceptable," and two "opportunity for improvement."

Operational Priorities (VRAB)

Program Delivery	**Ongoing since 2008**
To ensure applicants have an opportunity to appeal disability compensation and War Veterans Allowance claims to an independent tribunal.	
Performance Status: Met all	
Contributing to: SO 3 PA(s) ▪ Veterans Review and Appeal Board redress process for disability pensions and awards.	**Results Achieved** VRAB provided opportunities for applicants' cases to be heard by offering extensive review and appeal hearing dates to representative organizations in 30 locations across Canada. The Board strengthened workload monitoring practices to ensure cases were effectively managed and decisions were mailed within the published service standard target.

Improved Program Delivery	**Ongoing since 2004**
Enhancing program delivery through the innovative use of technology to improve the process for applicants.	
Performance Status: Met all	
Contributing to: SO 3 PA(s) ▪ Veterans Review and Appeal Board redress process for disability pensions and awards.	**Results Achieved** New decision letters were developed to ensure clarity, plain language and ease of understanding. VRAB revised its annual review calendar, which identifies the schedule of hearing locations for members and representatives. The Board's scheduling application system for monitoring workload and statistical reporting was expanded to ensure timely management of cases in progress, and to enhance decision-making and planning. The Board's Adjudicative Guidelines were developed and communicated to representative organizations. The Members' Performance Management Framework, which includes an annual review, was implemented. Members were provided with professional development training, and tools were developed to address current and emerging medical, legal and adjudicative issues.

Communication	**Ongoing since 2004**
To ensure applicants and all Canadians are informed of the Board's mandate, program and appeal process, while meeting applicants' increasing need for information.	
Performance Status: Mostly met	
Contributing to: SO 3 PA(s) ▪ Veterans Review and Appeal Board appeal process for disability pensions and awards.	**Results Achieved** Over the last year, VRAB has responded to increased inquiries from representatives, parliamentarians and external parties. VRAB's Web site was revitalized to promote a better understanding of the Board's mandate and operations, and to provide additional information on Board processes and performance. The Board initiated plans to increase outreach with stakeholders.

Management Priorities (VRAB)

Accountable Management	**New in 2010-11**
To provide an effective program for applicants and their families by focusing on management, transparency and accountability.	
Performance Status: Met all	
Contributing to: SO 3 PA(s) ▪ Veterans Review and	**Results Achieved** A review was conducted to prepare for the Board's transition to having its own Program Activity Architecture and governance structure as a separate statutory agency. This review included finalizing an updated Memorandum of Understanding

Appeal Board redress process for disability pensions and awards.	(MOU) with VAC to continue delivering internal services. The Board's first stand-alone Departmental Staffing Accountability Report was completed. VRAB's annual reports for administering the *Access to Information Act* and the *Privacy Act* were completed. The Board participated in the Office of the Comptroller General's Horizontal Internal Audits on Portfolio Governance and Information Management to pro-actively seek recommendations for potential areas of improvement. Members and staff were involved in decisions and matters affecting their work, and discussed the risks involved in their areas of responsibility.

Operational Priority (OVO)

Ensuring the fair treatment of the Veteran community and upholding the rights articulated in the Veterans Bill of Rights — **New in 2010-11** The sacrifices of our Veterans are recognized through the equitable, fair, accessible and timely provision of services, benefits and support. An independent voice is essential in ensuring that these commitments are honored. **Performance Status:** Met all	
Contributing to: SO 4 PA(s) • Office of the Veterans Ombudsman independent review and recommendations on individual complaints and systemic issues.	**Results Achieved** In 2010-11, the Office of the Veterans Ombudsman (OVO) successfully worked with Veterans and represented them on issues and complaints dealing with services and benefits required to meet their needs. The OVO was contacted by 1,431 Veterans and other individuals, which resulted in 1,823 new issues being raised. Added to the existing 759 already in the works, the Office effectively addressed and closed 2,449 cases. The OVO continued to research areas such as long-term care, families and mental health, and the Office is ready to launch formal investigations on these topics. The Ombudsman also promoted initiatives centered on providing free services for Veterans who wanted to take their cases to Federal Court, after exhausting their appeal options with the Veterans Appeal and Review Board. In 2010-11, the OVO established service standards and improved its service delivery procedures. To strengthen service delivery and partnerships, OVO held three town hall meetings to encourage Veterans to voice their concerns. Other opportunities for public consultation were provided on the Web page, a live Webcast and social media sites such as Facebook and Twitter. The Ombudsman also established an advisory committee made up of Veterans and other stakeholder groups.

Risk Analysis

Operating Environment

2010-11 ushered in the beginning of the most significant transformation in Veterans Affairs Canada's 65-year history. Over the next five years, the Department will continue to modernize how it provides its programs and services to a clientele of Veterans and CF members that is changing rapidly—both in terms of their demographics and the complexity of their needs and expectations.

The modernization of Veterans Affairs Canada began in April 2006, when the Government implemented the New Veterans Charter, heralding it as the most sweeping improvement to Veterans benefits and programs since the close of the Second World War.

Since that time, VAC has continued to respond to criticisms about the Charter. The Department has acknowledged that the plight of homeless Veterans, the mental health of CF members returning from deployments, a perceived inflexibility in the Department and lengthy delays in the processing of applications for disability benefits are valid concerns.

Complaints were also levelled at the Department for adopting a system of disability awards and monthly financial benefits to replace the lifetime disability pensions available under the *Pension Act*.

As a living document, the New Veterans Charter continues to evolve in order to better respond to the changing needs of Veterans and other individuals. Bill C-55, enacted in March 2011, was introduced by the Government to address concerns raised by Veterans, their families, Veterans' organizations, advisory groups and parliamentary committees. This legislation will improve access to monthly benefits for seriously injured Veterans; increase the monthly financial support available through the Earnings Loss Benefit; and provide flexible payment options for the Disability Award.

VAC also continues to explore ways to provide its benefits and services to Veterans in faster and more convenient ways. In 2010-11, the Department continued its work on a number of ongoing service delivery improvements including shortening the time it takes to process applications for disability benefits and creating a five-year transformation plan outlining the changes required to better serve Veterans and CF members. As VAC moves further into its transformation agenda, changes will also be required to VAC's configuration across all regions as some offices will shrink while others will grow, depending on service demands.

Finally, in the wake of a high-profile report published by the Privacy Commissioner last autumn, the Department has implemented a 10-point Privacy Action Plan to better safeguard the personal information of the Canadians it serves.

Despite these challenges, Veterans Affairs Canada continues to benefit from public interest in and support for the Department's events and activities to commemorate our Veterans. The Department, largely through its commemoration branch, continues to make great strides in its use of online technologies and social media.

Risks

Risk management practices continue to evolve throughout the Department thanks largely to an effective governance structure and strong leadership. In 2010-11, VAC managed several significant risks that had the potential to impact priorities and on-going activities. These and other risks were identified, assessed, monitored, and managed throughout the year.

Risks and Opportunities identified in VAC's 2010-11 Corporate Risk Profile continue to be considered and are directly linked to all operational, program and strategic risks.

Over the year, VAC dealt with key risks relating to: Program, Process, and Infrastructure; Privacy; and Continuity of Service to Veterans at Ste. Anne's Hospital.

Program, Process and Infrastructure

2010-11 marked a crossroads where, for the first time in the Department's history, traditional war Veterans served by VAC were outnumbered by Canadian Force Veterans. As the Veteran demographics continue to shift, there is a risk that the programs, processes and infrastructure required to meet their evolving needs will not be in place.

In response, the Department developed a five year Transformation Plan to ensure VAC's programs, processes and infrastructure remains responsive and relevant. Several improvements have already been achieved as a result of the plan's design and early implementation, most notably in the areas of case management and the National Client Contact Network. Improvements have also been made to Treatment and Disability Benefits, Veterans Independence Program, Rehabilitation, and strategic partnerships.

Privacy

In October 2010, the Privacy Commissioner released a report which concluded that the Department had failed to respect the *Privacy Act* rights of an individual.

In response to the Privacy Commissioner's recommendations, VAC developed a 10-point Privacy Action Plan. The plan – which far exceeds the report's recommendations - further strengthens the protection of personal information while maintaining staff's ability to provide quality service to Veterans. The plan introduced new training requirements for all staff along with a review of business processes from a privacy perspective, the monitoring of access to systems and information and the implementation of new privacy policies, directives, and guidelines. The Department made significant progress in implementing this plan in 2010-11, as noted in the external audit report completed by Audit Services Canada in July 2011, and will continue to work on it into 2011-12. In addition, a Chief Privacy Officer has been appointed and a Departmental Privacy Committee has been established.

Continuity of Service to Veterans at Ste. Anne's Hospital

Ste. Anne's Hospital, the last remaining Veterans hospital, has been dealing with a steady decline in the number of eligible long-term care Veterans since the 1980s. There is a risk that without a sustained critical mass of residents, the Hospital will be challenged to maintain its expertise in geriatric care.

With the declining demand for long-term care beds for traditional Veterans at the Ste. Anne's Hospital, a transfer to the Government of Quebec would allow the hospital to maintain and maximize its expertise, while increasing the number of beds available for other Canadians in need.

As negotiations continue with the Government of Quebec on a possible transfer of the Hospital, the Government of Canada remains committed to ensuring that priority access to care and services for Veterans, the interests of employees and official languages continue to be key considerations in discussions.

Summary of Performance

This section contains a summary of the organization's overall financial resources, human resources and performance summary tables. Each summary provides the indicators and targets from the 2010–11 Report on Plans and Priorities along with information on the progress achieved for each Strategic Outcome (SO).

Financial and Human Resources

	2010-11 Financial Resources ($ millions)			2010-11 Human Resources (FTE's[1])		
	Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
Veterans Affairs Canada (VAC)	3,396.8	3,538.3	3,498.4	3,678	3,708	(30)
Veterans Review and Appeal Board (VRAB)	11.5	12.1	12.1	121	108	13
Office of the Veterans Ombudsman (OVO)	5.8	6.2	4.9	40	45	(5)

Performance Summary Tables by Strategic Outcome

Strategic Outcome 1
Eligible Veterans and other individuals achieve their optimum level of well-being through programs and services that support their care, treatment, independence and re-establishment.

Performance Indicator	Target	2010-11 Performance	Trend
Percentage of eligible Veterans and other individuals who report they are "very satisfied" or "satisfied" with their life in general.	70%	**Status:** Exceeded Overall, 83% of eligible Veterans and other individuals reported they were "satisfied" or "very satisfied" with their life in general.	New indicators in 2010-11. Trend information not yet available
Percentage of eligible Veterans and other individuals who report "good", "very good", or "excellent" mental health.	60%	**Status:** Exceeded Overall, 82% of eligible Veterans and other individuals reported positive mental health.	
Comparison of the mortality rate of Canadian Forces (CF) Veterans with the general Canadian population.	The mortality rate of CF Veterans will not exceed that of the general population.	**Status:** Exceeded The mortality rate for Canadian Forces Veterans was 23% less than a standard group within the general population.	
Comparison of the low income rate among eligible CF Veterans with the general Canadian population.	The rate of low income among eligible CF Veterans will not exceed that of the Canadian population.	**Status:** Exceeded The rate of low income among eligible working CF Veterans was 2.9% compared to 9% in the general Canadian population. The rate of low income among eligible non-working CF Veterans was 11% compared to 31% of non-working Canadians.	

[1] Full Time Equivalents

Program Activity	2009-10 Actual Spending ($ millions)	2010-11 ($ millions)				Alignment to Government of Canada Outcomes
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Compensation and Financial Support.	2,169.1	2,125.1	2,125.1	2,264.5	2,269.8	Income Security and Employment for Canadians
Veterans Health Care and Re-establishment.	1,104.3	1,141.0	1,141.0	1,136.7	1,106.2	Healthy Canadians
Total for SO1	**3,273.4**	**3,266.1**	**3,266.1**	**3,401.1**	**3,376.0**	

Strategic Outcome 2

Canadians remember and demonstrate their recognition of all those who served in Canada's efforts during war, military conflict and peace.

Performance Indicator	Target	2010-11 Performance	Trend
Percentage of Canadians engaged in remembrance.	25%	**Status:** Exceeded 34% of Canadians reported they had engaged in remembrance by participating in a Veterans' Week activity such as a local Remembrance Day ceremony (Source: *Attitudes Towards Remembrance and Veterans' Week 2010 Omnibus Survey)*. Of these, 66% indicated they made an effort to demonstrate their appreciation to Veterans in the past year.	No Change

Program Activity	2009-10 Actual Spending ($ millions)	2010-11 ($ millions)				Alignment to Government of Canada Outcomes
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Remembrance Outreach	38.9	13.7	13.7	17.3	15.5	A Vibrant Canadian Culture and Heritage
National and International Memorials		32.4	32.4	32.6	25.1	A Vibrant Canadian Culture and Heritage
Total for SO2	**38.9**	**46.0**	**46.0**	**49.9**	**40.6**	

Strategic Outcome 3

Fair and effective resolution of disability pension, disability award and War Veterans Allowance appeals from Canada's war Veterans, Canadian Forces members and Veterans, Royal Canadian Mounted Police members and Veterans, qualified civilians and their families.

Performance Indicator	Target	2010-11 Performance	Trend
Percentage of concerns from Veterans and other individuals served that are effectively responded to within 60 days.	80%	**Status:** Exceeded Of the six complaints received through the Board's formal complaint process, 100% were responded to and completed within 60 days.	No Change

Program Activity	2009–10 Actual Spending ($ millions)	2010-11 ($ millions)				Alignment to Government of Canada Outcomes
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Veterans Review and Appeal Board redress process for disability pensions and awards.	12.1	11.5	11.5	12.1	12.1	Income Security and Employment for Canadians
Total for SO3	**12.1**	**11.5**	**11.5**	**12.1**	**12.1**	

Strategic Outcome 4 Ombudsman recommendations advance Veterans Affairs' fair and equitable treatment of eligible Veterans and other individuals.			
Performance Indicator	**Target**	**2010-11 Performance**	**Trend**
Percentage of recommendations raised by the Office of the Veteran's Ombudsman (OVO) that are acted upon.	80%	**Status:** Met all 100% of the recommendations were acknowledged and 80% were actioned	No Change
Percentage of the Ombudsman's recommendations aligned with the Department's priorities.	80%	**Status:** Exceeded 100% of the recommendations made were aligned with the Department's priorities.	No Change

Program Activity	**2009–10 Actual Spending ($ millions)**	**2010–11 ($ millions)**				**Alignment to Government of Canada Outcomes**
		Main Estimates	**Planned Spending**	**Total Authorities**	**Actual Spending**	
OVO's independent review and recommendations on individual complaints and systemic issues.	5.2	5.8	5.8	6.2	4.9	Income Security and Employment for Canadians
Total for SO4	**5.2**	**5.8**	**5.8**	**6.2**	**4.9**	

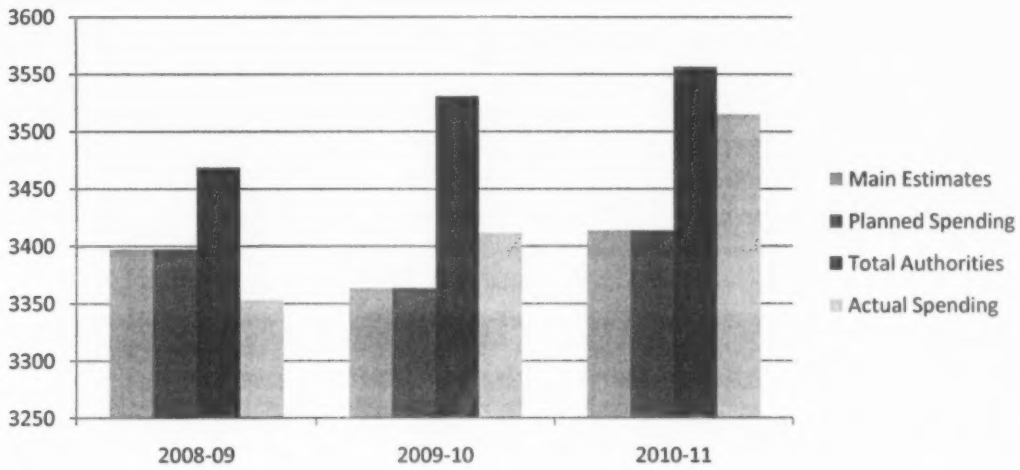
Program Activity Supporting all Strategic Outcomes						
Program Activity	**2009-10 Actual Spending ($ millions)**	**2010–11 ($ millions)**				**Alignment to Government of Canada Outcomes**
		Main Estimates	**Planned Spending**	**Total Authorities**	**Actual Spending**	
Internal Services	82.6	84.7	84.7	87.3	81.8	N/A
Total	**82.6**	**84.7**	**84.7**	**87.3**	**81.8**	

Note: Totals may not add due to rounding

Expenditure Profile

Veterans Affairs total actual spending for 2010-11 was $3.5 billion, an increase of 3.0% over 2009-10. 97.7% of spending was used to meet the expected results of the Strategic Outcomes, with a fiscally responsible 2.3% being allocated to Internal Services. The major increase in expenditures was related to increased uptake of programs under the New Veterans Charter, annual price indexation adjustments for benefits paid to or on behalf of Veterans and other individuals; and increased eligibility for benefits under the Veterans Independence Program for primary caregivers and low-income or disabled survivors which was implemented in 2008. These increases were slightly offset by a decrease of expenditures in disability pensions and allowances, and war veteran allowances due to a decline in the number of traditional war Veterans.

Departmental Spending Trend ($ millions)



Voted and Statutory Items

For information on organizational votes and/or statutory expenditures, please see the *2010–11 Public Accounts of Canada (Volume II)* publication. An electronic version of the *Public Accounts* is available at http://www.tpsgc-pwgsc.gc.ca/recgen/txt/72-eng.html

Section II - Analysis of Program Activities by Strategic Outcome

This section presents Veterans Affairs Canada's performance against the expected results identified in the 2010-11 Report on Plans and Priorities.

Strategic Outcome 1	Eligible Veterans and other individuals achieve their optimum level of well-being through programs and services that support their care, treatment, independence and re-establishment
Program Activities	
Compensation and Financial Support	Veterans Health Care and Re-establishment

To ensure the continued well-being of Veterans and their families after release from service, VAC provides access to programs and services aimed at meeting their physical health, mental health and financial needs.

In 2010-11, VAC was able to exceed some of its performance targets in both existing and new performance indicators.

Spending Breakdown by Program Activity 2010-11

Total Spending: $3.376 Billion

- Compensation and Financial Support
- Veterans Health Care and Re-establishment

- In 2010, 83% of eligible Veterans and other individuals reported they were "satisfied" or "very satisfied" with their life in general (Source: 2010 National Client Survey)

- In addition, other indicators found that the vast majority of Veterans and other individuals were satisfied with their housing (93%), family relationships (91%), financial situation (80%) and main job or activity (68%). (Source: 2010 National Client Survey)

- In 2011, Statistics Canada found a significantly lower risk of death from all causes in the released Canadian Forces population, compared with the general population. (Source: Canadian Forces Cancer and Mortality Study)

- 82% of Veterans and other individuals served by VAC reported positive mental health—exceeding the target of 70%—the self-reported mental health of Veterans is still low compared to the Canadian population. (Source: 2010 National Client Survey)

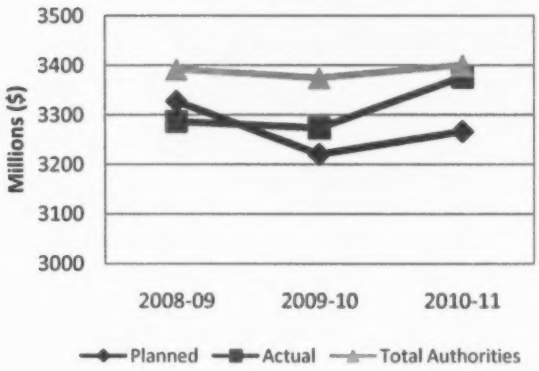
- In 2010, only 46% of CF Veterans receiving benefits and services from VAC who were released during this period reported "excellent" or "very-good" mental health, compared to 75% of Canadians in the general population. (2010 Survey on Transition to Civilian Life)

〉 Eligible Canadian Forces Veterans reported lower rates of low income than the general population by household size. (Source: Survey on Transition to Civilian Life and Statistics Canada before-tax Low Income Measure (LIM))

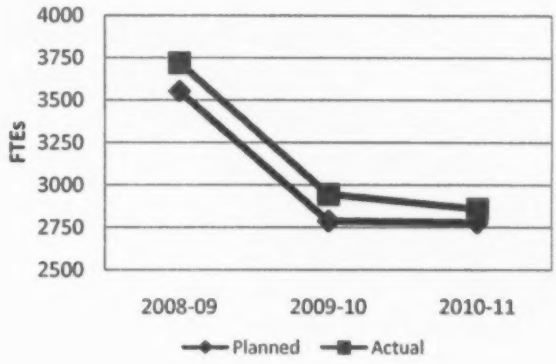
SO1 Highlights

- 24,279 decisions were made on first applications for disability benefits during the 2010-11 fiscal year. (15,496 decisions for disability awards- 8,783 decisions for disability pensions)
- 1,590 eligibility decisions were rendered on first applications for the Rehabilitation Program during the 2010-11 fiscal year.
- 738,241 calls were answered by the NCCN during the 10-11 fiscal year.
- As of March 31, 2011, there were 14,111 Veterans receiving disability compensation for a psychiatric disability, with 70% of them involving post-traumatic stress disorder.
- 11,909 cases were completed by the Bureau of Pensions Advocates.

Financial Resources



Human Resources



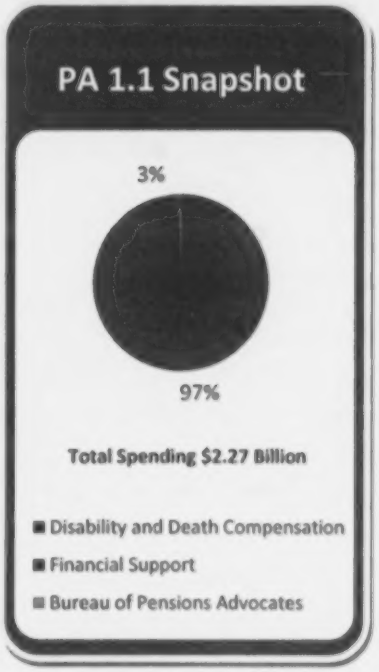
Program Activity 1.1 – Compensation and Financial Support

Sub Activities:

- Disability and Death Compensation
- Financial Support
- Bureau of Pension Advocates

Veterans Affairs provides, upon eligibility, pensions or awards for disability or death and financial support as compensation for hardships arising from disabilities and lost economic opportunities.

Veterans Affairs has a comprehensive and integrated range of compensation and wellness programs to support Veterans and other individuals served by VAC. This includes: Veterans of the Second World War and the Korean War, Merchant Navy Veterans, Canadian Forces Veterans, Canadian Forces members, spouses, common-law partners, certain civilians, and survivors and dependants of military and civilian personnel.



Veterans Affairs also administers disability pensions for the Royal Canadian Mounted Police under a Memorandum of Understanding.

This Program Activity is delivered through operating and grants.

2010–11 Financial Resources ($ millions)			2010–11 Human Resources (FTEs[2])		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
2,125.1	2,264.5	2,269.8	925	1,001	(76)

Expected Result	Performance Indicator	Target	Performance Status
Eligible Veterans and other individuals are able to meet their basic living expenses.	Percentage of eligible Veterans and other individuals who are able to meet their basic living expenses.	70%	Exceeded
Eligible Veterans and other individuals feel the extent and impact of their service-related disability has been recognized by VAC.	Percentage of eligible Veterans and other individuals who feel the disability benefits received from VAC recognizes their service-related disability.	60%	Exceeded

[2] Full Time Equivalents

Performance Summary and Analysis

Research has shown that income is an important indicator of health. In addition to disability compensation, VAC provides financial support to eligible Veterans and survivors to ensure their income meets their basic needs.

- The vast majority (94%) of eligible Veterans and other individuals reported their income met their basic living expenses or better. (Source: 2010 National Client Survey)

- 80% of survey respondents said they were satisfied with their financial situation. Satisfaction ratings were highest among war service Veterans at 87%, while Canadian Forces Veterans rated their level of satisfaction at 76%. In comparison, the overall rate of satisfaction with their financial situation among serving Regular Force members in 2005 was 73%. (Source: 2010 National Client Survey)

- Overall, Veterans are less likely to experience low income than the general population (Source: 2010 Survey on Transition to Civilian Life)

- As of March 31, 2011, VAC was providing monthly disability pensions and lump-sum awards to 188,716 Veterans and other individuals.

- Focus groups conducted with Veterans in 2005—part of an evaluation of disability pensions—found that recipients viewed their disability compensation with pride and dignity.

- Overall, 74% of Veterans receiving disability benefits felt their disability benefits recognized their service-related disability. War service Veterans were more likely to report perceived recognition for service-related disabilities at 88%, than were Canadian Forces Veterans at 63%. (Source: 2010 National Client Survey)

Other Notable Achievements

- Reduced the average turnaround-time for rendering decisions on Disability Benefit applications from 24 weeks to 16 weeks.
- 73% of applicants received a favourable decision.
- September 2010, the Government of Canada announced increased financial support for seriously injured Veterans.
- October 2010, the Government of Canada announced action taken to improve and speed up support for Veterans suffering from amyotrophic lateral sclerosis (ALS).
- December 2010, the Government of Canada modified eligibility criteria and extended the time that individuals had to submit an application for the Agent Orange *ex gratia* payment.

Lessons Learned

What worked well

In 2010–11, the Department contributed to the overall Strategic Outcome by improving the quality of services. Experts have been engaged to streamline processes and simplify program delivery. The Department has been cutting red tape to provide faster more effective and hassle-free service to the men and women it cares for and supports.

With VAC's changing demographics and new opportunities in social media tools, the Department was able to provide Canadians with more opportunities to interact with Veterans Affairs Canada about their programs and services.

Additionally, the Department worked closely with the Canadian Forces and Department of National Defence to improve the New Veterans Charter (NVC) programs. These changes will see the Department establish a minimum, pre-tax income of $40,000 a year for Veterans receiving the Earnings Loss Benefit. Additionally, it expands eligibility for the Permanent Impairment Allowance (PIA) and the Exceptional Incapacity Allowance (EIA); introduces a new $1,000 monthly supplement to the PIA to help the most seriously injured or ill Veterans who cannot be gainfully employed; and create new payment options for the Disability Award.

As well, the Bureau of Pensions Advocates maintained an average turnaround time of 11 weeks, as compared with 24 weeks in 2008-09, from contact with the Bureau, to scheduling of the case before the Veterans Review and Appeal Board. Business process reviews were also conducted in seven of the Bureau's 14 offices, which helped identify and resolve issues that could have had an impact on service efficiencies.

What could be improved

Phases II and III of the NVC evaluation identified areas where improvements could be made to the design and delivery of programs. Findings included the need to collect appropriate data to better measure value-for-money; to place more focus on families within programs; to change the Rehabilitation Program to reflect those Veterans requiring long-term support; and to review the Career Transition Program to ensure it offers value-for-money.

The evaluations also identified areas for operational improvements, particularly the need for service staff to better understand the roles and responsibilities of specialists who provide technical advice and program guidance. It also outlined the need for service staff to receive nationally coordinated, skills-based training and improved access to up-to-date policies and business processes. Each evaluation recommendation has been accepted and targeted action plans developed to address the issues.

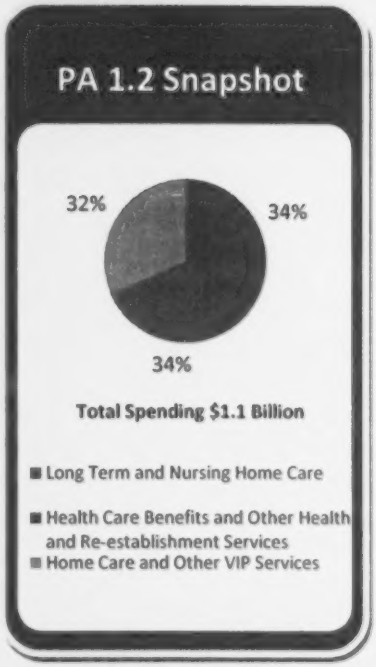
Program Activity 1.2 – Veterans Healthcare and Re-establishment

Sub Activities:

- Long Term and Nursing Home Care
- Health Care Benefits and Other Re-establishment Services
- Home Care and Other Veterans Independence Program Services

Veterans Affairs Canada provides health benefits, a Veterans Independence Program, long-term care and rehabilitation and re-establishment support to eligible Veterans and others. The Health Care Program is designed to enhance the quality of life of Veterans and other individuals served by VAC, promote independence, and assist in keeping Veterans and other individuals at home and in their own communities by providing a continuum of care.

This Program Activity is delivered through operating resources and contributions.



2010-11 Financial Resources ($ millions)			2010-11 Human Resources (FTEs[3])		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
1,141.0	1,136.7	1,106.2	1,853	1,856	(3)

Expected Result	Performance Indicator	Target	Performance Status
Eligible Veterans and other individuals have their health care needs met.	Percentage of eligible Veterans and other individuals who report "good", "very good", or "excellent" health.	60%	Mostly met
Eligible Veterans and other individuals actively participate in the civilian workforce.	Percentage of eligible Veterans and other individuals who actively participate in the civilian workforce (unless totally disabled or retired).	70%	Exceeded
Eligible Veterans and other individuals actively participate in the civilian workforce.	The unemployment rate of Canadian Forces Veterans will not exceed that of the general population.	Unemployment rate of CF Veterans is equal to or less than that of the general population.	Exceeded

[3] Full Time Equivalents

Eligible Veterans and other individuals actively participate in, or are integrated into their communities.	Percentage of eligible Veterans and other individuals who report a "somewhat strong" or "very strong" sense of community.	50%	Exceeded

Performance Summary and Analysis

Research demonstrated that individuals with chronic health conditions generally report poorer health and that self-reported health declines with age.

- Overall, 52% of eligible Veterans and other individuals self-reported their health as "good", "very good" or "excellent", falling short of the established target of 60%. (Source: 2010 National Client Survey)

- Canadian Forces Veterans released from service between 1998 and 2007 who were receiving benefits from VAC self-assessed their health much lower than a comparable group within the general population—only 28% of eligible Canadian Forces Veterans reported their health as "very good" or "excellent", compared to 61% of other Canadians. (Source: 2010 Survey on Transition to Civilian Life)

- 62% of eligible Veterans and other individuals reporting that their sense of community belonging was "very strong" or "somewhat strong", exceeding the target of 50%. (Source: 2010 National Client Survey). From this, it was also noted that Canadian Forces Veterans released from service between 1998 and 2007 reported their sense of community belonging at 52%, which was lower than the 62% found within the general population as noted in the 2010 Survey on Transition to Civilian Life.

Employment has been found to promote one's physical, mental and social well-being[4].

- The 86.5% employment rate experienced by Canadian Forces Veterans released from service between 1998 and 2007 was comparable to that of the general population. (Source: 2010 Survey on Transition to Civilian Life)

[4] http://www.phac-aspc.gc.ca/ph-sp/determinants/index-eng.php

Other Notable Achievements

- 24 Integrated Personnel Support Centres are now operational across the country.
- The standard turnaround time for decisions on rehabilitation eligibility was reduced from 4 weeks to 2 weeks.
- 20 new case managers were added across the country.
- Veterans who receive support under the Veterans Independence Program now have access to direct deposit and no longer have to sign a form every time a change is made to their services.
- 190 organizations that provide support to the homeless and "hard to house" were contacted to inform them of services and benefits offered by VAC.

Lessons Learned

What worked well

In 2010–11, Partnerships with organizations such as the International Society for Traumatic Stress Studies and working through VAC's own National Centre for Operational Stress Injuries, allowed VAC to participate in information sharing activities and to increase it's exposure to the latest evidence in assessing and treating operational stress injuries.

Work undertaken to provide tele-health systems at all 10 clinics in the VAC-funded OSI clinic network allowed the Department to enhance its services to Veterans and other individuals in places where OSI clinics did not previously exist. While technical/regulatory issues continue in some jurisdictions, by the last quarter of 2010-11, more than 6% of Veterans were using the systems to provide clinical intervention services.

What could be improved

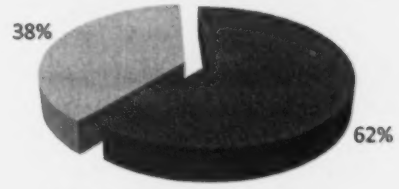
The Department acted swiftly and appropriately in cancelling the Request for Proposals for the new Federal Health Claims Processing System (FHCPS) in March 2011 after it was determined that changes resulting from VAC's Transformation Agenda would have a significant impact on the requirements for the new FHCPS contract.

An interdepartmental governance committee has been established to review options and will improve the Request for Proposal for the FHCPS in order to secure procurement by 2015.

Strategic Outcome 2	Canadians remember and demonstrate their recognition of all those who served in Canada's efforts during war, military conflict and peace
Program Activities	
Remembrance Outreach	National and International Memorials

Generations of Canadian Veterans, through their courage, determination and sacrifice have helped to ensure that Canadians live in a free and peaceful country. Remembering their contributions depends largely on a Canadian population that actively acknowledges Veterans' achievements and sacrifices through remembrance-based activities.

Spending Breakdown by Program Activity 2010-11



Total Spending: $40.6 Million

- Remembrance Outreach
- National and International Memorials

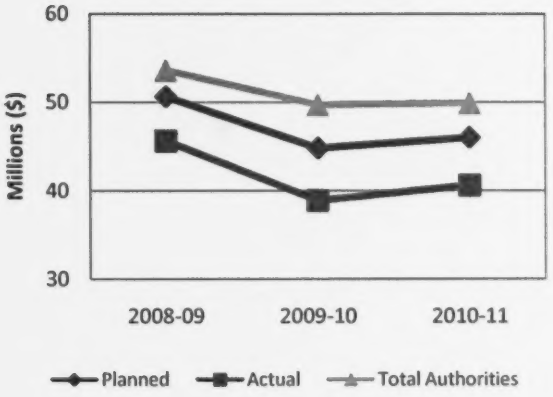
The Department's Strategic Outcome 2 continues to exceed its target, with more than 11 million Canadians participating in remembrance in 2010–11. The results have remained consistent over the past few years.

- The vast majority of Canadians (91%) agree that Canada's veterans should be recognized for their sacrifices. (Source: November 2010 Attitudes Towards Remembrance and Veterans' Week 2010 Omnibus Survey)
- 34% of Canadians reported having participated in a Veterans' Week activity, such as a local Remembrance Day ceremony. Of those respondents, 66% said they had made an effort to demonstrate their appreciation to Veterans in the past year. (Source: November 2010 Attitudes Towards Remembrance and Veterans' Week 2010 Omnibus Survey)
- A different survey conducted in March 2010 concluded that 46% of Canadians reported having attended a local Remembrance Day ceremony in 2009—a marked increase from the 30% results seen in Veterans' Week, 2008. (Source: Canadians' Awareness, Engagement & Satisfaction with Remembrance Programming Survey)

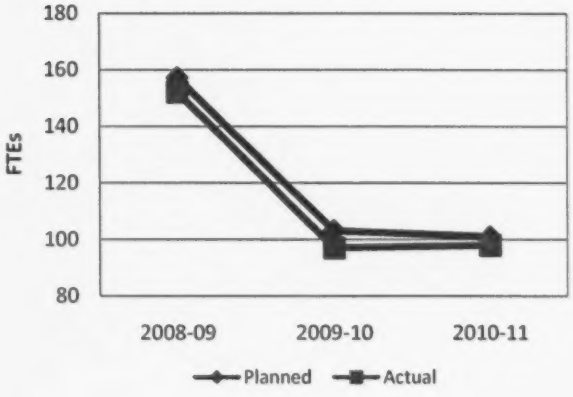
SO2 Highlights

- VAC led or supported more than 870 national and international remembrance ceremonies and events in 2010–11;
- 4.7 million learning materials and promotional products, involving the recognition of all Canadian Veterans— including modern-day Veterans— were distributed;
- 79 Canadian Forces video clips were added to the *Heroes Remember* Web section;
- VAC's *Remembrance iPhone App* introduced during Veterans' Week 2010 was well received, with 4,160 downloads, as of March 31, 2011; and
- Close to one million visits to the *Canada Remembers* and *Youth and Educators* sections of VAC's Web site resulted in approximately 340,000 downloads.

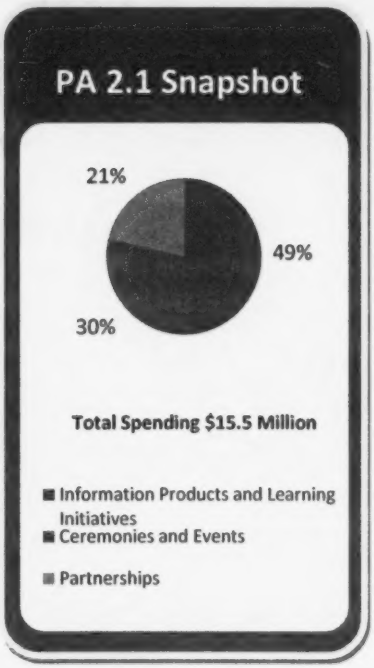
Financial Resources



Human Resources



Program Activity 2.1 – Remembrance Outreach



Sub activities:

- Information Products and Learning Initiatives
- Ceremonies and Events
- Partnerships

Remembrance Outreach is responsible for providing Canadians, especially youth, with opportunities to learn about remembrance subjects through printed and online materials and activities.

The *Remembrance Outreach Program* provides leadership and support to ceremonies and events, in Canada and internationally, that recognize and honour Canada's war dead and Veterans.

Through the Partnership Contribution Program, non-profit organizations are able to apply for financial assistance to undertake remembrance initiatives that extend Veterans Affairs Canada's remembrance mandate. A new initiative, *corporate engagement and marketing* will help the Department extend the reach and capacity of its remembrance efforts.

This activity is delivered through contributions, grants and operating resources.

2010–11 Financial Resources ($ millions)			2010–11 Human Resources (FTEs[5])		
Planned Spending	**Total Authorities**	**Actual Spending**	**Planned**	**Actual**	**Difference**
13.7	17.3	15.5	78	76	2

Expected Result	Performance Indicator	Target	Performance Status
The memory of the achievements and sacrifices of those who served Canada in war, military conflict and peace is preserved.	Percentage of Canadians aware of the achievements and sacrifices of Canadian Veterans.	65%	Exceeded

[5] Full Time Equivalents

Performance Summary and Analysis

Canadians are increasingly aware of the achievements and sacrifices of Canadian Veterans.

- The number of individuals who are aware of the achievements and sacrifices of Canadian Veterans remains high at 83%[6]. This is slightly up from the 79% noted in the March 2010 Phoenix Strategic Perspectives Inc.'s poll, Canadians' Awareness, Engagement and Satisfaction with Remembrance Programming.

- In addition to being aware, 79% of Canadians say they are proud of Canada's military role in conflicts like the First and Second World Wars, the Korean War and Afghanistan. Like previous studies, approximately 70% feel they know about the role Canada's military played in these conflicts.

Other Notable Achievements

- The 65th anniversary of the Liberation of the Netherlands was marked in May 2010 with VAC leading the overseas event and ceremonies, which included the participation of the Queen of the Netherlands, along with the prime ministers of both Canada and the Netherlands. Ceremonies were also conducted in Canada to recognize this important anniversary.
- The 65th anniversary of the end of the Second World War in Europe was marked in May and the 65th anniversary of the end of the Second World War in Asia was recognized in August with ceremonies and events in Ottawa.
- Another anniversary was remembered In August 2010—the end of the Second World War in the Far East (VJ Day)—with activities that included a remembrance ceremony with Veterans of the Burma Campaign.
- *Canada Remembers* has more than 500,000 active participants on Facebook, making it one of Canada's largest communities. A best practice according to Google.

Lessons Learned

What worked well

Through VAC's catalyst role, partnerships were developed and technology was used to involve Canadians and youth in remembrance. VAC connected with Canadians through social media sites, asking them "How will you remember?" This question challenged Canadians to get actively involved. Not only did Canadians take up the challenge, they shared their remembrance activities by posting videos on YouTube and other social networks for VAC and all Canadians to see.

In 2010–11, the Department took steps to ensure that all new educational materials for VAC's Web site were designed to be more interactive and appealing to youth. VAC also reached out to

[6] November 2010 "Attitudes Towards Remembrance and Veterans' Week 2010 Omnibus Survey"

more than 55,000 educators and youth leaders in Canada to promote its learning resources through e-mails, meeting face-to-face at conferences and providing input to teachers' newsletters and magazines.

The Department also laid the foundation to involve the private sector in remembrance by contacting approximately 21 businesses to explore their interest in getting involved in remembrance. The response was very positive and the department plans to continue engaging the private sector to expand the culture of remembrance.

In addition, the response to the *Community War Memorial Program* launched in November 2010 was impressive, with 12 applications received in the last quarter of 2010-11 and 25 more in the first quarter of 2011–12. Pursuing its role as a catalyst of change, VAC continued to support communities by providing partnership funding, guidance and advice, conducting outreach activities, supplying remembrance materials and posting remembrance activities to VAC's Calendar of Events.

What could be improved

In 2010–11, two VAC studies: *Canadian Perceptions and Attitudes around Remembrance*[7], and *Canada Remembers: Canadian Forces Veterans – Qualitative Exploratory Research*[8], were analysed to evaluate whether initiatives appropriately recognized modern-day Veterans. The analysis concluded that changes are required in order to better balance VAC's remembrance programming.

In the fall of 2010, the Department hired a consultant to develop an objectives framework to guide the development of new strategies targeted to youth.

[7] Phoenix Strategic Perspectives, 2008
[8] The Strategic Counsel, 2005

Program Activity 2.2 – National and International Memorials

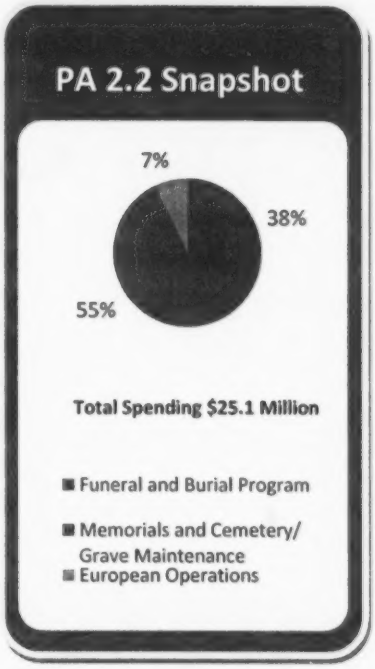
Sub activities:

- Funeral and Burial Program
- Memorials and Cemetery/Grave Maintenance
- European Operations

This activity is responsible for the delivery of funeral, burial and grave marking benefits, the preservation of memorials overseas and cemetery and grave maintenance, nationally and internationally.

VAC also has an international presence in Europe.

The administration of funeral, burial and grave marking benefits is carried out in partnership with Last Post Fund Corporation and the maintenance of war graves and Memorials throughout the world-wide is delivered in partnership with the Commonwealth War Graves Commission.



This activity is delivered through Grants and Operating resources.

2010–11 Financial Resources ($ millions)			2010–11 Human Resources (FTEs[9])		
Planned Spending	**Total Authorities**	**Actual Spending**	**Planned**	**Actual**	**Difference**
32.4	32.6	25.1	23	22	1

Expected Result	Performance Indicator	Target	Performance Status
Canadian Veterans and war dead are recognized and honoured in death.	Percentage of Canadians satisfied with how Veterans Affairs Canada recognizes and honours war dead and Veterans in death.	75%	Somewhat met

Performance Summary and Analysis:

Although 88% of Canadians polled in the Attitudes Towards Remembrance and Veterans' Week 2010 Omnibus Survey, think it is important for Veterans Affairs Canada to pay tribute to deceased Veterans and war dead—by maintaining memorials, cemeteries and grave markers and providing funeral and burial assistance—only 59% were satisfied with the Department's performance.

[9] Full Time Equivalents

Other Notable Achievements

- In 2010–11, VAC provided assistance to 1,525 Veterans' funeral and burial expenses through the Last Post Fund;
- VAC, through the Commonwealth War Graves Commission, maintained 110,000 Canadian war dead graves;
- VAC maintained over 200,000 graves of Veterans buried in approximately 6,500 cemeteries throughout Canada.

Lessons Learned

What worked well

Major operational changes were made to the *Funeral and Burial Program* during the 2010–11 year. The Last Post Fund completed a strategic review at the end of 2009 and many of the recommendations were successfully implemented in 2010.

What could be improved

In 2010–11, VAC fell short of its program activity target of 75% of *Canadians being satisfied with how Veterans Affairs Canada recognizes and honours war dead and Veterans in death*. The Department is now aware that overall problems exist and, during the next fiscal year, will analyze the issues then fix the problem.

Improvements to the Funeral and Burial Program also continue to be a priority as the Department meets with and listens to stakeholders to understand and respond to their priorities.

Strategic Outcome 3	Fair and effective resolution of disability pension, disability award and War Veterans Allowance appeals from Canada's war Veterans, Canadian Forces members and Veterans, Royal Canadian Mounted Police members and Veterans, qualified civilians and their families.
Program Activities	
Veterans Review and Appeal Board redress process for disability pensions and awards	

VRAB is an independent, quasi-judicial tribunal that fulfills an important role within Canada's disability benefits system for Veterans, Canadian Forces members, Royal Canadian Mounted Police members and their families. Throughout the year, in approximately 30 locations across the country, members hear and make decisions on applications for review and appeal of disability decisions rendered by VAC. The Board carries out its mandate within an environment influenced by the volume of applications received and the complexity of the cases. There is a continuing change in applicant make-up, with the growing number of Canadian Forces members and Veterans and fewer traditional Veterans.

Spending Breakdown by Program Activity 2010-11

Total Spending: $12.1 Million

- Veterans Review and Appeal Board redress process for disability pensions and awards

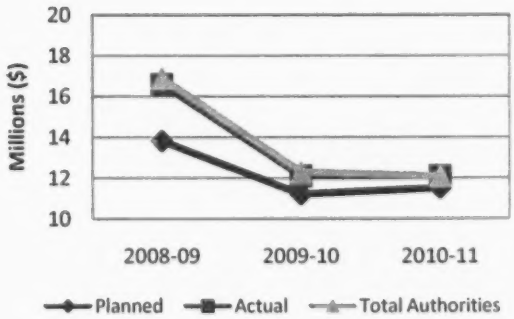
SO3 Highlights

- 3,539 Review Hearing decisions
- 974 Appeal Hearing decisions

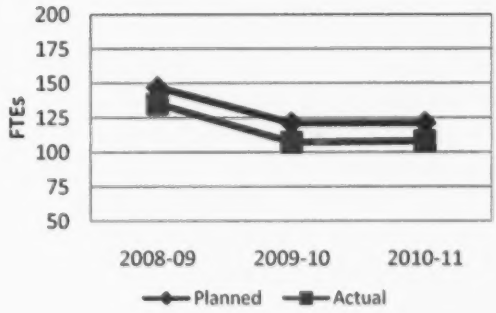
The role of Board members is to determine whether the laws governing the disability benefits programs for Veterans and other applicants have been properly applied by VAC in individual cases. To accomplish this, the Board conducts hearings, listens to applicants' testimony, interprets the rules based on current legislation and renders written decisions. The Board makes every effort to issue a fair and well-reasoned decision for each applicant.

VRAB worked to improve its program, without sacrificing quality decision-making, and actively managed its caseload to provide written decisions within the published service standard.

Financial Resources



Human Resources



Program Activity 3.1 – Veterans Review and Appeal Board redress process for disability pensions and awards

This activity provides Canada's war Veterans, eligible Canadian Forces and RCMP members and Veterans, qualified civilians and their families with full opportunity to request review and appeal hearings to ensure a fair adjudicative process for disability pension, disability award, and War Veterans Allowance claims.

2010–11 Financial Resources ($ millions)			2010–11 Human Resources (FTEs[10])		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
11.5	12.1	12.1	121	108	13

Expected Result	Performance Indicator	Target	Performance Status
Veterans and other individuals receive a timely decision following their hearing.	Percentage of decisions finalized within the published service standard.	85%	Met all

Performance Summary and Analysis

The Board's mandate is to hear, determine and deal with applications for review and appeal of disability decisions. The volume of applications to the Board in 2010–11 was similar to 2009–10. Of the applicants who applied, the number of Canadian Forces members and Veterans had increased, compared to the volume of traditional Veterans.

Case types, such as post traumatic stress disorder and chemical exposure, have become more complex. More than 4,600 applicants received decisions as a result of an increased focus on hearing cases and issuing decisions within a shorter time period. The average time for review hearing cases—from registration with the Board to issuance of a decision —was reduced from 165 days in 2009–10 to 162 days in 2010–11. This time period also depends on the applicant's readiness and availability in the hearing schedule. The average time for appeal hearing cases increased slightly from 74 days in 2009–10 to 81 days in 2010–11. During the year, the Board reduced its pending caseload and was able to hear cases ready to proceed.

On average, 49.5% of the finalized review decisions and 33.2% of the finalized appeal decisions varied a previous ruling. The Board updated its service standard, effective April 1, 2009, and set an ambitious target to finalize 85% of its decisions within six weeks of hearings. In 2010–11, the Board surpassed its service standard target and finalized 85.3% of the 3,539 review decisions and 88.1% of the 974 appeal decisions, within six weeks of the hearings. The Board is committed to continuing this high level of performance.

[10] Full Time Equivalents

Lessons Learned

What worked well

The Board implemented its five-year Strategic Plan, which identifies priorities and responds to evolving changes in case types. To address the complex nature of applications, the Board focussed on providing members and staff with specialized training on medical conditions and adjudicative issues, as well as developing the right tools. Through the use of technology, the Board provided timely hearing information to members, representatives and applicants and monitored workload more effectively.

What could be improved

To respond to the diverse and changing needs of applicants and the transformation exercise being undertaken by VAC, the Board initiated a *Process Redesign Project*. This undertaking will include a review of VRAB's processes and identify opportunities to improve services to applicants. Efforts will also continue to add medical and legal resource information to the Web site.

In an effort to respond to applicants' concerns regarding privacy of information, the Board identified the need for appropriate safeguards. These safeguards included: examining business processes from a privacy perspective; providing training to ensure access to information is on a need-to-know basis only; and ensuring that employees are handling applicant information appropriately. Efforts to further protect applicant information continue to be a priority.

The Board has heard from applicants that the wait times for hearings are too long. VRAB will continue to work with representatives to explore ways to reduce the time frame to convene hearings, including the use of video conference technology.

The Board will also develop a consistent and committed approach to information-sharing and engaging with stakeholders through increased outreach activities.

Strategic Outcome 4	Ombudsman recommendations advance Veterans Affairs' fair and equitable treatment of eligible Veterans and other individuals
Program Activities	
Office of the Veterans Ombudsman independent review and recommendations on individual complaints and systemic issues	

The Office of the Veterans Ombudsman (OVO) works to ensure that Veterans and other individuals served by VAC are treated respectfully, according to the *Veterans Bill of Rights*, and receive the services and benefits they need in a fair and timely manner.

The OVO addresses complaints, emerging issues and systemic problems related to programs and services provided or administered by VAC, and those related to the Veterans Review and Appeal Board.

More broadly, the OVO plays an important role in expanding awareness of Veterans' needs and the contributions they continue to make to Canadian society when they return to civilian life.

Spending Breakdown by Program Activity 2010-11

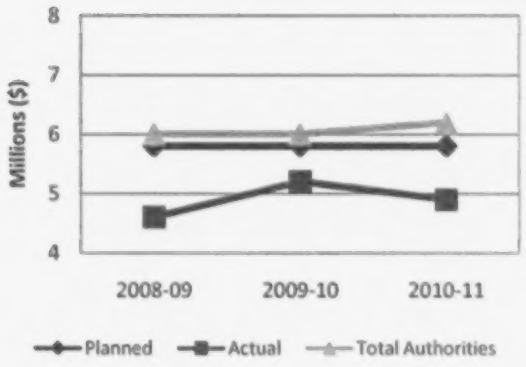
Total Spending: $4.9 Million

■ Office of the Veterans Ombudsman

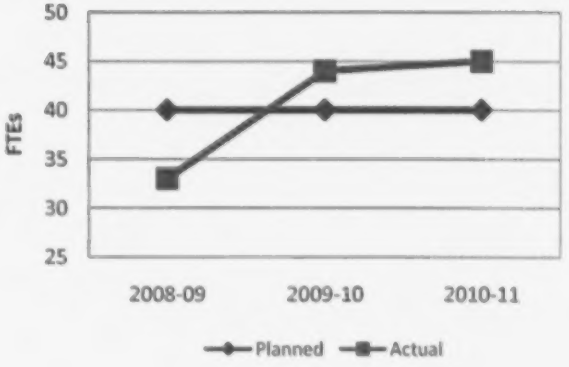
SO4 Highlights

- 9,514 calls/emails/letters received in 2010–11
- 1,431 individuals served
- 1,823 new issues opened
- 2,449 issues addressed and closed (including 759 carried over from the previous year)

Financial Resources



Human Resources



Program Activity 4.1 – Office of the Veterans Ombudsman independent review and recommendations on individual complaints and systemic issues

This program provides war service Veterans, Veterans and serving members of the Canadian Forces (Regular and Reserve), members and former members of the Royal Canadian Mounted Police, spouses, common-law partners, survivors and primary caregivers, other eligible dependants and family members, and other eligible individuals and representatives of these groups with the opportunity to request independent reviews of their complaints by an impartial individual who was not part of the original decision-making process.

The Veterans Ombudsman has the mandate to review and address complaints by Veterans, other individuals and their representatives arising from the application of the provisions of the Veterans Bill of Rights; to identify and review emerging and systemic issues related to programs and services provided or administered by the Department or by third parties on the Department's behalf that impact negatively on Veterans and other individuals; to review and address complaints by these individuals and their representatives related to programs and services provided or administered by the Department or by third parties on the Department's behalf, including individual decisions related to the programs and services for which there is no right of appeal to the Board; to review systemic issues related to the Board; and to facilitate access by Veterans and other individuals to programs and services by providing them with information and referrals.

2010–11 Financial Resources ($ millions)			2010–11 Human Resources (FTEs[11])		
Planned Spending	**Total Authorities**	**Actual Spending**	**Planned**	**Actual**	**Difference**
5.8	6.2	4.9	40	45	(5)

Expected Result	Performance Indicator	Target	Performance Status
Veterans and other individuals served by VAC are aware of and have access to Ombudsman Services.	Proportion of Veterans and other individuals served by VAC surveyed that feel they have access to and are aware of the services offered by Ombudsman.	80%	Unable to assess*
Veterans, other individuals and the Department are aware of the issues and recommendations raised by the Ombudsman's Office.	Percentage of Veterans and other individuals served by VAC surveyed that are aware of the issues raised by the Ombudsman Office.	80%	Unable to assess*
	Percentage of observations and reports submitted, which have been acknowledged by the Department.	80%	Exceeded

* Unable to assess due to changes introduced to public opinion research by the Government of Canada

[11] Full Time Equivalents

Performance Summary and Analysis

Over the past fiscal year, the Office of the Veterans Ombudsman provided information, referrals and interventions on behalf of Veterans to ensure they receive the services, benefits and support they needed. The Office began the fiscal year with 759 ongoing issues. During the fiscal year an additional 1,823 issues were opened, resulting in a total of 2,582 issues. Of those, 2,449 were addressed and closed.

The Ombudsman, through his early intervention team, was able to identify several systemic issues that were found to affect larger groups of Veterans. These problems were pursued with the Department and as a result, many more Veterans were able to access required benefits and services

The Office developed an electronic tool to enable staff to determine the benefits and services available to individuals based on their specific type of service (i.e., still serving Canadian Forces member, Second World War Veteran or Survivor, Merchant Navy Veteran, RCMP former member, etc.). The OVO recognized that this tool had practical applications for both Veterans Affairs Canada and the Canadian public, and accordingly began sharing this tool with the Department.

The OVO continued to work diligently on its investigations throughout 2010–11 and expects to publish a report on its findings related to the Veterans Independence Program in 2011–12. In addition, research on the departmental adjudication process was completed. Due to the complexity of the issue, consultation over the findings will continue in the next fiscal year prior to publication.

The OVO also held three town hall meetings in Cornwall (Ontario), Lethbridge (Alberta) and Edmonton (Alberta), as part of an initiative to involve Veterans. Other venues, such as a public consultation Web page increased awareness and provided an open forum for individuals and Veterans and their families to contribute to and shape the work of the OVO.

Lessons Learned

What worked well

2010–11 was a transition year for the OVO, with much work completed to reorganize and restructure the office. Investments were also made to put administrative and operational procedures in place to provide a disciplined approach to administration and operations.

The Veterans Ombudsman Advisory Committee was also restructured to support a new approach, and to ensure that a broad range of views and experiences were reflected on the Committee. There are now three categories of membership: six military Veterans'

representatives and one RCMP Veteran; three professional advisors; and affiliate members comprised of individuals with varied areas of expertise and experience. This new advisory team will assess the impact of changes to programs and services proposed by Veterans Affairs Canada and select issues for systemic reviews.

The office also identified three systemic investigations to be carried out in the next fiscal year. The first one will focus on families, the second on mental health and the third on long-term care services.

What could be improved

The OVO strives to continuously improve all facets of its operations by reviewing performance measurements against production and service delivery. This includes putting more emphasis on its quality assurance framework, updating the telephone system to better respond to the demand from our stakeholders, and carrying out a full review of workload processes and procedures to improve services to Veterans and their families.

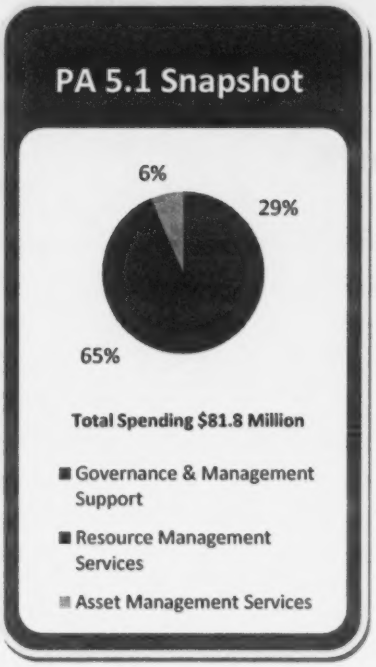
Program Activity 5.1 – Internal Services

Sub Activities

- Governance and Management Support
- Resource Management Services
- Asset Management Services

Internal Services are groups of related activities and resources that support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Travel and Other Administrative Services.

Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.



2010–11 Financial Resources ($ millions)			2010–11 Human Resources (FTEs[12])		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
84.7	87.3	81.8	799	753	46

Performance Analysis and Lessons Learned

What worked well

As required by the Internal Audit Policy, the Chief Audit Executive provided an independent annual report to the deputy head on the adequacy and effectiveness of risk management, control and governance processes within the Department. The November 2010 report concluded that great progress had been made in improving the risk management policies and practices of the Department. In August 2010, a Review of the Adequacy of Corporate Risk Management was initiated to assess VAC's Risk Management Framework. The results of this review will assist in implementing changes to VAC's risk management policies and practices.

VAC continued to be a strong supporter of the *Public Sector Leadership Development Program*, approving five employees to participate from each of the nine cohorts. The knowledge and

[12] Full Time Equivalents

skills acquired benefitted both the individuals and the organization by building capacity for strong and innovative leadership.

VAC's internal audit function continued to demonstrate a value-added contribution to strengthening risk, control and governance processes as evidenced by strong MAF ratings on the effectiveness of internal audits and the quality and use of evaluations. To ensure a high quality of service to Veterans and other individuals, activities were actively promoted to help address weaknesses in the Department's performance.

In 2010-11, the Department completed an Integrated Human Resource and Business Planning process to identify human resource requirements, including core skills and official language requirements. This was done to equip the current workforce with the necessary skills to support the Department's strategic priorities and provide VAC with a three-year human resource strategy to support its future service delivery model.

The Department also introduced quarterly reporting to monitor and track its progress in the delivery of programs and services. Early detection of problem areas enabled program managers to make informed decisions and implement corrective actions where necessary, to ensure that programs are delivered within plans, timelines and budgets.

What could be improved

During 2010–11, VAC faced significant challenges as a result of departmental privacy breaches. While the Department has since made progress in developing, promoting and implementing its security practices, work is still required in the areas of Management of Information Technology Security and Business Continuity Planning.

The Department noted the need to improve its annual forecasting methodology in two areas: to provide more accurate forecasts related to programs and services; and to ensure that long-term care per diem expenditures are based on acceptable accounting and financial management and control principles and practices.

The Head of Evaluation reported on the state of performance measurement of programs (tabled in November 2010), outlining the need for a stronger corporate commitment to support all related performance measurement activities.

Section III - Supplementary Information

Financial Highlights

The financial highlights presented in the 2010–11 *Departmental Performance Report* serve as a general overview of Veterans Affairs Canada's financial position and operations. These financial highlights were prepared on an accrual basis to strengthen accountability and improve transparency and financial management.

Financial Statements

($ thousands)	2009–10*	2010–11	% Change
Condensed Statement of Financial Position *At end of fiscal year (March 31, 2011)*			
ASSETS			
Financial Assets	217,357	209,524	-4%
Non-Financial Assets			
TOTAL	**217,357**	**209,524**	**-4%**
LIABILITIES			
Total Liabilities	128,969	126,036	-2%
EQUITY	88,388	83,488	-6%
TOTAL	**217,357**	**209,524**	**-4%**
Condensed Statement of Operations (unaudited) *At end of fiscal year (March 31, 2011)*			
EXPENSES			
Total Expenses	3,444,447	3,547,905	3%
REVENUES			
Total Revenues	22,021	20,984	-5%
NET COST OF OPERATIONS	**3,422,426**	**3,526,921**	**3%**

*Restated

Condensed Statement of Financial Position

Assets decreased by approximately $8M in 2011. This is primarily a result of the reduced net book value of the tangible capital assets due to amortization.

Liabilities decreased by approximately $3M in 2011. This decrease primarily relates to the net effect of an increased salary liability at year-end, which was offset by a decrease in the employee future benefit liability.

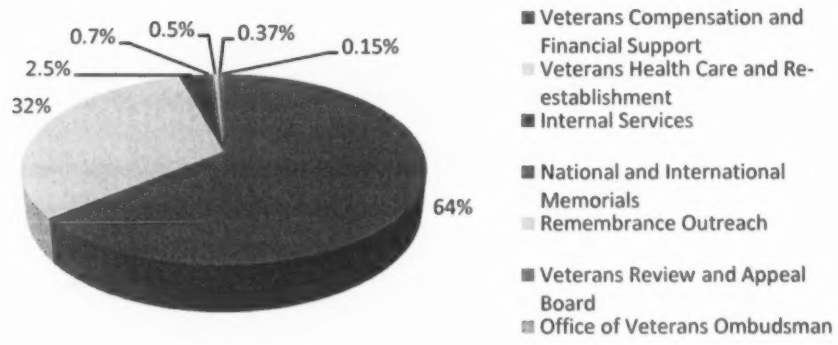
Condensed Statement of Operations

The expenses of the Department decreased in total by $104.5M in 2010-11. Grants and contributions increased by $114M (or 4.7%) in 2010-11, as compared to 2009-10. The increase is due primarily to the continued uptake of programs under the New Veterans Charter, specifically Disability Awards and Earnings Loss. Expenses for the Veterans Independence Program also increased as a result of the expanded eligibility for primary care givers and low-income or disabled survivors. These increases were partially offset by a continued decrease in expenditures for Disability Pensions and War Veterans Allowances due to declining Veteran numbers. This year also marked the beginning of expenditures paid under the new five-year Community War Memorials Program, as announced in Budget 2010.

Expenses for health related benefits and services purchased on behalf of Veterans, their families and other individuals, such as treatment benefits, decreased by $6M due to decreased demand. Expenses for career transition services and rehabilitation under the New Veterans Charter increased by $2.6M.

There was an increase of $2.6M in *ex gratia* expenses in 2010-11, as compared to 2009-10 related to the testing of Agent Orange at CFB Gagetown resulting from expanded eligibility and extension of the deadline for making payments (to December 30, 2011). Departmental operating expenses decreased by $9M due to reduced employee pay and benefit costs as well as internal restraint measures.

Expenses - Where Funds Went



The Portfolio's Financial Statements are available on the VAC Web site at the following address: www.vac-acc.gc.ca/general/sub.cfm?source=department/reports/departmental-financial-statements/2010-11

List of Supplementary Information Tables

The following tables can be found on the Treasury Board of Canada Secretariat Web site at:
http://www.tbs-sct.gc.ca/dpr-rmr/2010-2011/index-eng.asp

- Sources of Non-Respendable Revenue
- Details on Transfer Payment Programs (TPP)
- Green Procurement
- Response to Parliamentary Committees and External Audits
- Internal Audits and Evaluations

Section IV - Other Items of Interest

Web sites

The following Web sites will provide more detailed information on material provided in this report. If further information is required, contact may be made through the Veterans Affairs Canada (VAC) general enquiries lines.

Veterans Affairs Canada:
www.veterans.gc.ca

Veterans Review and Appeal Board:
www.vrab-tacra.gc.ca

Office of the Veterans Ombudsman:
www.ombudsman-veterans.gc.ca

Contact Information

To make a general enquiry about Veterans Affairs Canada, its programs or services, call **1-866-522-2122**. To contact the Veterans Review and Appeal Board, call **1-800-450-8006**. To contact the Office of the Veterans Ombudsman, call **1-877-330-4343**.

Portfolio Publications

VAC produces a variety of publications on its programs and services. Copies of these publications are available on the Department's Web sites.

For more information or to ask questions, contact:

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Charlottetown, PEI, C1A 8M9
Email: plan@vac-acc.gc.ca